

**REMARKS/ARGUMENTS**

It is noted that in the Office Action that claims 20-27 were objected to as being numbered incorrectly. The Examiner noted that the claims should be renumbered as claims 19-26. Office Action, p. 2. The Amendment above renumbers the claims as suggested in the Office Action.

The Office rejected each of the pending claims under 35 USC §103. The rejections set forth in the Office Action are respectfully traversed as set forth in detail below. Claims 1-7 and 14-26 were rejected as being obvious in view of Millard et al. (US Patent publication 2002/0007335 A1). Claims 8-13 were rejected as being unpatentable over Millard in view of Magary (US Patent publication 2001/0056387 A1). It is respectfully submitted that a review of the Millard and Magary references appears to clearly show that the teaching of these references is very different than the methods and systems recited in the pending claims.

**Millard, US Patent Publication 2002/007335 A1**

Millard teaches a system which provides a network where members can exchange financial information and negotiate and settle securities transactions. Millard, Abstract. Millard provides a method where members can provide information as part of a membership sign-up process. Millard, ¶¶137-138. This membership sign-up process, provides for different types of membership such as "Associate" "Qualified" or "Institutional". Millard, ¶143. While different types of memberships will have access to different features of this system, the Millard system does not provide for restricted accounts, where the restriction are removed when a user completes an application in a predetermined time. Indeed, it appears that the operation of the Millard is that a user can sign up and then they will have access to the system. This sign up procedure requires providing a certain minimum amount of information, and additionally, the system appears to provide an option where a user can provide credit card information in conjunction with signing up for access to the network. Millard, ¶¶ 137-142. However, there appears to be no discussion related to having a user supply account information, and then based on this account information opening an on-line brokerage account which is restricted, and also based on the account information generating an application, then upon receipt of the application with required information, within a predetermined amount of time, removing restrictions from the account

**Magary, US Patent Publication 2001/0056387 A1**

Magary discloses a system for providing financial information to clients. The financial information can be information such as transaction data. Magary, Abstract. According to regulatory requirements the client must consent to receiving such financial data electronically. Magary ¶ 18. Magary provides for obtaining and storing these consents. Magary, Abstract. Magary does not, however, provide for, or relate to opening an on-line brokerage account with restrictions, and then removing the restrictions after receipt of an application with required information from a client.

**Response to Rejection of Claims 1-7 and 14-26**

It is noted that the rejection of claims 1, 19, 20 and 21 set forth in the Office Action at page 3, addresses these claims collectively. In connection with the rejection of claims 1, 19, 20 and 21, the Office Action refers to ¶¶ 67 and 119 of Millard as disclosing opening an on-line brokerage account for a user, based on account information received from the user, the on-line brokerage account having one or more restrictions. Further the Office Action refers to ¶¶ 67, 129, 136-137 of Millard as showing the generating of an application based on the account information. The Office Action also takes the position that ¶¶ 74, 120 of Millard disclose requesting that the user submit required information with the application within a predetermined time to remove the one or more restrictions from the on-line brokerage account, and removing said one or more restrictions from the on-line brokerage account when the application including the required information is received.

The Office Action notes that Millard does not disclose that users have to supply information within a predetermined time to have the restrictions removed, but takes that position that Millard teaches that users are expected to perform certain actions within reasonable time periods (7 days) or certain privileges or features will be canceled. Office Action, p. 3.

Consideration of the different elements of claim 1 helps to highlight the differences of claim 1 relative to the teaching of Millard. Claim 1 provides for opening an on-line brokerage account based on account information from a user, and this account has one or more restrictions. These restrictions are such that a user cannot actually use the on-line brokerage account for trading securities for example. Indeed, these restrictions are such that on-line brokerage account is not fully operable for the user until the restrictions are removed. In contrast in Millard the user

supplies information and becomes a member of the system or network, and as such they are provided access to features of the system appropriate for their membership level. See e.g., Millard ¶¶ 67, 119. While Millard provides the possibility of a member changing membership status, this is not a matter providing an account with restrictions, and then removing restrictions. Rather, Millard provides for access to different areas of the network depending on the type of Member that the user is. See e.g., ¶¶ 120-125.

Claim 1 provides not only for opening an on-line brokerage account for a user based on account information, it also requires generating an application based on the account information. Further, the user is requested to submit required information with the application in order to have the restrictions on the on-line brokerage account removed. In contrast, a user of the system in Millard appears to submit information and gain access to the network. There appears to be no additional step of then using this submitted information to generate an application, and then requesting submission of required information with the application, in order to remove restrictions from an account. Indeed, ¶¶ 67, 129, 136-137 of Millard appear to show that the User submits information and then this information is used to determine the type of Member that the user is and then they are provided access. The concept of opening a restricted account, and then generating an application, and then in response to receiving requested information with the application removing the restrictions from the account does not appear to be suggested or related to the teaching of Millard.

Finally, the fact that Millard does not disclose that users have to supply an application and requested information within predetermined amount of time highlights a significant difference in the underlying operation and purpose of Millard versus the method of claim 1. Millard provides a member with access according their membership level. Millard does not open a restricted account based on the user information, and then also generate an application where the user must return the application and requested information in order to have the restrictions removed from the account. Given that Millard does not provide for an application and the request of information to be supplied with the application, there can be no predetermined time associated with supplying such information.

It is noted that the Office Action refers to a discussion at ¶¶ 132-134 of Millard as showing that users are expected to perform certain actions in reasonable time periods. The discussion in these paragraphs of Millard refers to the process of appointing an agent to act as a

fiduciary for a member of the system. It is respectfully submitted that this teaching is in no way related to the concept of removing restrictions from an account, which was based on account information, but for which an application and required information is necessary in order to remove the restrictions.

Given the very significant differences between claim 1 and Millard it is respectfully submitted that the rejection of claim 1 is overcome. Further, claims 2-7, and 14-18 depend from claim 1 and were also rejected in view of Millard. These dependent claims include all of the limitations of their underlying base claim and are accordingly submitted to be patentable for at least the same reasons as claim 1.

Claim 19 is a system claim which corresponds to the method claim of claim 1, and accordingly claim 19 is submitted to be patentable for the same reasons as claim 1.

Claim 20 is a method claim which provides for opening an on-line brokerage account for a user based on an application including account information received from the user, the on-line brokerage account having one or more restrictions. This means that the user submits an application, and in response to submitting the application, a brokerage account is opened for the user. A unique feature of this account is that it is subject to one or more restrictions which are removed only after the application has been approved. After the application has been submitted, but before the application has been approved the method includes providing the user with access to one or more features of the on-line brokerage account. This method allows a user to gain access to some of the features and benefits of an on-line brokerage account on a very expeditious basis, without requiring that the application be approved. By restricting the account, so that the user can not fund the account or trade securities in the account until the application has been approved, regulatory and business concerns associated with trading securities can be addressed by imposing limitations on the account until the application has been reviewed and approved. It is respectfully submitted that the teaching of Millard is very different in that there does not appear to be any teaching related to opening a restricted account for user, pending review and approval of an application. In fact, as discussed above Millard teaches providing access to a system and based on the user information determining a membership level for user. While different membership levels can provide for different levels of access this is very different than opening an account with restrictions in response to receiving an application, and then removing the restrictions after review and approval of the application. Thus, in light of the above it is

respectfully submitted that the rejection of claim 20 is overcome, and that claim 20 is patentable. Further claim 21 is a system claim which parallels the method claim of claim 20 and is submitted to be patentable for at least the same reasons as claim 20.

Claim 22 is a system claim which provides for opening an on-line brokerage account based on account information received through an information channel, following a review and approval, where the account is initially subject to restrictions. The server also operates to provide a notification to the client that the account a restricted account has been opened, and to initiate the preparation and forwarding of a pre-filled-in application. The server then operates to remove the restrictions on the account when the pre-filled-in application including required information is received from the client within a predetermined time.

In connection with rejecting claim 22, the Office Action refers to Fig. 4A-b, and ¶¶ 144-147 of Millard. A review of Millard shows Fig. 4 relates to data which is collected to determine a user's membership level. The flow charts shown in Fig. 4 and the discussion in the related paragraphs of Millard do not appear to suggest generating pre-filled in formal account applications as recited by claim 22, where restricted brokerage account has already been opened. Rather, the Fig. 4 of Millard appears to relate to part of a process where a user is allowed to input information which indicates an appropriate membership level. This type of operation is very different than that recited by claim 22 where a restricted account is provided and the restriction is lifted only if an application is received with required information within a predetermined amount of time. Further, claim 22 expressly recites providing notice to the client that the restricted account has been opened. The Millard reference does not discuss providing such a notice to a client, indeed the very concept of opening a restricted account, where a pre-filled-out application must then be completed by the client to remove the restrictions. Thus, it is respectfully that claim 22 is patentable over Millard.

Claim 23 is also a system claim and it recites elements and limitations which are very similar to those discussed in connection with the above claims. For example, claim 23 provides for opening an on-line brokerage account which is initially subject to restrictions, and then providing notice to the client that the account with restrictions has been opened. These restrictions are then removed when a pre-filled in application including required information is received from the client in a predetermined time. As discussed above it is respectfully submitted that this combination of elements is not disclosed in or suggested by Millard. Accordingly, it is

respectfully submitted that claim 23 is patentable over Millard. It is further submitted that claim 24 depends from claim 23 and is therefore patentable over Millard for at least the same reasons as claim 23.

Claim 25 is a system claim which recites a server that is configured to receive information for an application to open an on-line brokerage account, and to open an on-line brokerage account that is initially subject to one or more restrictions. The server is also configured to present the client with a filled in application for the on-line brokerage account, and to remove the restrictions after review of the application has been completed. As discussed above it is respectfully submitted that Millard does disclose or suggest a system which provides for opening an on-line brokerage account with restrictions and then removing the restrictions after successful review of an application. Thus, it respectfully submitted that claims 25 and its dependent claim 26 are patentable over Millard.

### **Response to Rejection of Claims 8-13**

Claims 8-13 were rejected under 35 USC §103 as being unpatentable over Millard in view of Magary. Claims 8-13 are dependent claims having claim 1 as their base independent claim. As discussed in detail above, it is respectfully submitted that claim 1 is distinguishable over the Millard. Further, it is noted that the teaching of Magary is cited in the Office Action, in connection with Magary's discussion of compliance with SEC regulations. See e.g. Office Action, pp. 7-8. There appears to be no teaching in Magary related to the idea opening an on-line brokerage account having one or more restrictions, and then subsequently removing the restrictions as recited by claim 1. Thus, it is submitted that claims 8-13 are patentable over the combination of Millard and Magary.

Additionally, it is noted that claims 8-9, and 11-13, each include the limitation of reviewing the account information to determine compliance with the rules and regulations of the SEC, and denying approval of the application when the account information does not comply with the SEC. Magary ¶18, and the general discussion of Magary, clearly appear to focus on determining the compliance with SEC requirements for obtaining client consent for transmitting financial information electronically. The entire premise of Magary appears to be built on the idea that the client already has an existing account. Thus, any application for an account would have already been approved, and the account would appear to be fully activated and in place.

Thus, the procedures discussed in Magary would appear to have no applicability to the process of opening an account, and complying with SEC requirements for establishing brokerage accounts. Therefore, it is respectfully, submitted that a combination of Magary with Millard would not lead one to review account information as recited by claims 8-9 and 10-13. Thus, for this additional reason it is respectfully submitted that these claims are patentable.

### CONCLUSION

For the reasons set forth above, it is believed that all claims now present in this application are patentably distinguishable over the references. Therefore, reconsideration is requested, and it is requested that this application be passed to allowance.

Respectfully submitted,

STALLMAN & POLLOCK LLP

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By: 

Brian J. Keating  
Reg. No. 39,520

Attorneys for Applicant(s)